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Quarterly Progress Report - XI
(April 1, 2014 to June 30, 2014)
July 25, 2014

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ABBREVIATIONS AND ACRONYMS

ASF	Agribusiness Support Fund
BDSPs	Business Development Services Providers
BRC	British Retail Consortium
COP	Chief of Party
DAP	Detailed Activity Plan
EA	Environmental Assessment
EGA	Economic Growth and Agriculture
EMMP	Environmental Monitoring and Mitigation Plan
EPA	Environmental Protection Agency
FEG	Farmer Enterprise Group
FSC	Farm Services Center
GAP	Good Agricultural Practices
GB	Gilgit Baltistan
GEC	Grants Evaluation Committee
GIS	Geographic Information System
HACCPs,	Hazard Analysis Critical Control Points
HV/OSV	High Value Off-Seasons Vegetables
ICT	Islamabad Capital Territory
IFS	International Featured Standards
IMIS	Integrated Management Information System
IP	Implementing Partner
ISO	International Standard Organization,
JAA	J.E.Austin Associates
KPK	Khyber Pakhtunkhwa
LOP	Life of Project
M&E	Monitoring and Evaluation
MSMEs	Micro, small and medium enterprises
MSU	Management Support Unit
NGO	Non-Government Organization
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PRC	Planning and Review Committee
PRHA	Participatory Rural Horticultural Appraisal
PRLA	Participatory Rural Livestock Appraisal
SME	Small and Medium Enterprises
TA	Technical Assistance
TAP	The Agribusiness Project
USAID	United States' Agency for International Development
USG	United States Government
UVAS	University of Veterinary and Animal Sciences
VCP	Value Chain Platform

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1 EXECUTIVE SUMMARY

The following is a summary of the most significant achievements during quarter-3 of FY 2014 that will contribute toward the achievement of the development assistance as well as project objectives.

- i. During the reporting quarter, a total of 780 new jobs were created as a result of implementation of activities in high value off-seasons vegetables (HVOSV), grapes, apricot and seed potato value chains. The activities contributed towards new job creation include transformation support for production of HV/OSV through tunnel tunnels, structured and open air farming, establishment of vineyards, small solar tunnel dryer for apricot drying and support for construction of potato cellars for seed potato storage.
- ii. The project supported participation of Pakistani horticulture and meat enterprises in the international horticulture and livestock marketing events. As a result of their participation in business to business meetings with large buyers, 13 companies had exported fruit, vegetables and meat products worth USD 17.88 million to various export destinations. The export value achieved during first 3 quarters of FY 2014 and cumulative as of June 2014 was USD 7.56 million and USD 18.14 million respectively.
- iii. The value of private sector leverages during the reporting quarter was USD 2.1 million while the cumulative amount of private sector leverages as of June 2014 was USD 4.21 million.
- iv. The agribusinesses that participated in project activities, achieved incremental sales revenue of USD 9.21 million inclusive export value of USD 7.83 million in first three quarters of FY 2014. The sales value will significantly increase in subsequent quarters as a result of full scale implementation of project activities.
- v. A total of 2,949 micro and small enterprises received business development services and were linked to larger-scale firms during quarter 3 as a result of USG assistance.
- vi. A total of 2,166 beneficiaries from HV/OSV, red chili and banana value chains were trained in technical and enterprise development trainings, whereas 3,289 rural households were directly benefited from USG interventions. 522 hectare new land was brought under improved technologies and management practices as a result of project interventions in selected value chains during the reporting period.
- vii. Under the international certification program, 23 enterprises (7 Global GAP, 10 HACCP, 5 ISO and 1 Halal) have completed certification process and received certifications, enabling these enterprises to access international markets for marketing of their produce. The certification program was successfully completed.
- viii. The female beneficiaries in the project activities accounts for 52% in the reporting quarter with 37% overall female participation in project activities as of June 2014.
- ix. The key progress achieved in the prioritized eight value chains is as under:-
 - a. **Apricot Value Chain**
 - Completed construction of remaining 2 Apricot orchards on one hectare of land at Gilgit Baltistan,
 - Out 800 beneficiaries, 610 have partially installed structure of small tunnel dryers. Of the 610, 120 farmers/FEG members have completed installation of small tunnel dryers & started apricot drying.
 - The owners of Apricot orchard have purchased rootstock plants from Area Research Center Jaglote Gilgit, thus creating linkages with large scale firms with project support.
 - A number of large buyers/processors including M/S Organo Botanica, M/S High Land Gaba Food, and M/S Mountain Fruit (Pvt) Limited have showed interest in buying of dried Apricot from the project beneficiaries in GB.

b. Banana Value Chain

- The project in collaboration with the Sindh Agriculture University Tandojam trained 20 producers/processors in a 2 day technical training on Banana bunchy top virus control and management held on June 10-11, 2014 at Tandojam.
- 143 Banana growers from 10 FEGs of Matiari, Hyderabad and Tando Allahyar were trained in a 2 day enterprise development training at Hyderabad.
- The exposure visit of Pakistani banana value chain players to Australia was finalized and scheduled for end June 2014; however, it could not happen due to delays in issuance of visas to visiting team members and is now rescheduled for August 2014.

c. Red Chilies Value Chain

- 502 red chili growers/FEG members representing 70 FEGs (35 batches) on Chili crop production and demonstration of geo textile sheet from June 11-28, 2014 at Kunri.
- The third meeting of Chili Value Chain Platform was held at Kunri and attended by 30 members.
- The project facilitated market linkages development of Chili growers with large buyers (PACC and National Foods).

d. Grapes Value Chain

- Out of 67 new beneficiaries for vineyards establishment, each on 3 acres of land, from ICT/Potowar, Attock and Chakwal districts, 58 farmers have completed grapes plantation. The fabrication of trellising materials is in progress at local industry. 12 vineyards have been established while remaining 55 vineyards will be largely completed by September 2014.
- The International grape expert conducted three practical demonstration sessions in field on post-harvest best practices, use of evaporative cooling system for field heat removal, pruning and best packaging and marketing practices for 30 project supported farmers around Islamabad.
- Thirty private sector enterprises including grapes growers, processors, buyers, input suppliers and service providers attended project organized Farmers Field Day on June 18, 2014 at Attock. The participants discussed issues of their mutual interest and offered support for promotion of grape industry. The Punjab Irrigation Department Punjab offered extending drip irrigation facilities to more project supported vineyards upon receiving request for the same.

e. High Value Off-Seasons Vegetables (HV/OSV) Value Chain

- 83 of 91 farmers of Phase-I from KPK/FATA, Hazara, ICT/Potohar and Lahore regions have completed layout of land and construction of foundation blocks (milestone-1) and high tunnels structure work (milestone-2) for production of HV/OSV. 46 grantees have also sown HV/OSV. As regards, phase-II of the high tunnels, 190 beneficiaries have completed milestone-1, while seven of these have also completed milestone-2.
- The project supported 2084 famers/FEG members from 147 FEGs for HV/OSV from Peshawar, Potowar and Lahore regions through provision of improved quality hybrid seed for HV/OSV. The FEG members have sown HVOSV seed.
- 1364 FEG members/farmers for HV/OSV were trained in two day enterprise development training by implementing partners. The project developed the enterprise development training manual and trained Master trainers.
- The project has organized Pakistan Vegetable Fair 2014 on May 15, 2014 at Islamabad, which was attended by over 250 key fruit and vegetable stakeholders Government officials and USAID representatives. This event provided an opportunity to participants to acquire knowledge and

establish business linkages. Ms. Nancy Estes, Deputy Mission Director US Embassy, appreciated the event and expressed her satisfaction on the support that beneficiaries had gained from USAID interventions and desired for its scaling up.

- Four farmers field days for production of HV/OSV through high tunnels were organized at Nankana Sahib, Charsadda, Swat and Haripur districts on May 13, 27, 29, and June 17, 2014 respectively and attended by 145 high tunnel grantees, buyers, Seed companies and representatives of research & extension department.

f. Meat Value Chain

- A total of 57 Supervisors and 10 Workers from Meat Industry of Karachi and Lahore were trained in 2 day training on meat processing. The Project's International Carcass Specialist imparted training to participants in Australian Meat Cuts for targeting the meat export.
- On June 21st, the project supported a veal production and marketing visit for stakeholders of Meat Value Chain from Karachi, Peshawar and Lahore, who visited UVAS Lahore and Pattoki campus, where participants viewed the calves reared under the veal production for further marketing the milk-fed veal calves under pilot being carried out by UVAS. The purpose of this visit was at introducing first batch of calves raised under the program to its potential market and interested stakeholders.
- The project supported a six day study tour of 18 Meat enterprises and 7 Livestock Officials from KPK to Punjab from June 15-20, 2014. The group members had meetings with a number of Livestock SMEs and witnessed numerous good practices and technological interventions in livestock sector. The team attended various orientations during field visits to meat enterprises.
- USAID and TAP staff had a meeting with meat stakeholders on June 18, 2014 at Karachi and discussed challenges in meat market such as quarantine issues, commercialization of meat market. The meeting was attended by 12 participants from Meat One, Tata Food, Seven Star, and Organic Meat Company.
- A meeting was also held with All Pakistan Meat Exporters and Processors Associations (APMEPA) at Lahore on June 5, 2014 and attended by 7 meat stakeholders. The APMEPA requested project support in registration of association, capacity building and market linkages of meat stakeholders.

g. Seed Potato Value Chain

- In pursuance to the project supported business to business meeting between Seed potato producers from GB and large Potato buyers held in January 2014 at Gilgit, three private sector large companies have entered into contract farming with seed potato farmers from Gilgit Baltistan. The total private sector investment leveraged by three companies in seed potato amounts to USD 177,500. These companies have provided seed to farmers for sowing and will buy back produce at agreed price.
- The excavations for construction of 14 cellars/storage facilities for seed potato were completed. The project is supporting these enterprises through technical assistance and provision of materials for construction of cellars.
- The project organized an orientation session on May 27, 2014 at Gilgit with 15 private sector enterprises for construction of seed potato cellar followed by signing of grant agreements.
- The project signed contract with National Agriculture Research Council (NARC) for building capacity FEGs member of seed potato VC from GB and KPK region.
-

2 PROJECT OVERVIEW

2.1 INTRODUCTION

This quarterly progress report of the project is submitted as per requirement of the cooperative agreement signed between USAID Pakistan and ASF. It covers the activities carried out by the project during the period from April 01, 2014 to June 30, 2014. In addition to the preliminaries and an executive summary, the report comprised of three sections and five Annexures.

- The first section briefly introduces the project's background, goal, objectives, components, and financial progress during the reporting period.
- The second section provides highlights of achievements and activities during the third quarter of third year of the project. It provides narrative information on the activities completed and progress achieved on different value chains and project components.
- The third section provides an update on the results achieved against the mission strategic framework (MSF)/ EGA indicators during the reporting quarter, year and cumulative up to end of reporting quarter.

The report encompasses success stories of the project beneficiaries, demonstrating increase in their sales and incomes and strengthening of their business as a result of partnering with the project and availing USG assistance. These sections have been structured with a view to facilitate an essential understanding of the broader achievements of the project in general and, particularly, during reporting quarter.

2.2 BACKGROUND

The Agribusiness Project, funded by USAID, commenced on November 10, 2011 with overall goal of "increased competitiveness and productivity of horticulture and livestock sub-sectors in collaboration with all stakeholders". The project was conceived based on the potential the agriculture sector represented in the country owing to its size, structure and relevance to poverty reduction. Although the agriculture sector has considerable contribution to national economy and employment generation, yet it is characterized by a narrow structure with overwhelming dependence on few major crops. The national strategies have been pursuing diversification into horticulture and livestock sector as a way to increase economic growth and eradicate poverty. Being relatively neglected, horticulture and livestock sub-sectors are constrained by low productivity, high rates of post-production losses, low levels of value addition, and inability of chain actors to ensure compliance to the quality standards. The lack of value chain linkages between stakeholders (input suppliers, farmers, service providers, traders, processors) is a demonstration of market failures and has resulted in slow growth in export products.

Horticulture and livestock sub-sectors offer potential for increased employment and income generation through diversification into high value production systems, product and process innovation, value addition and greater market orientation. This requires investment in downstream and upstream agribusiness functions. However, the cost to mobilize entire value chains has been prohibitive and beyond the capacity of individual enterprises, thus warranting interventions by Agribusiness Support Fund (ASF) with the financial assistance of USAID.

2.3 GOAL

The overall goal of the project is to support improved conditions for broad-based economic growth, enhanced profitability, employment opportunities and will contribute to poverty alleviation through product and process transformation of selected value chains in horticulture and livestock sub-sectors."

2.4 OBJECTIVES

The three specific objectives of the project are:

- To strengthen capacities in horticultural and livestock value chains to increase sales to domestic and foreign markets;
- To strengthen the capacity of smallholders (through farmer enterprise groups-FEGs), individual farmers and agribusinesses to operate effectively and efficiently; and,
- To increase productivity and profitability through adoption of new techniques and technological innovations (among farmers, agribusinesses and business development services providers).

2.5 TARGETED VALUE CHAINS AND PRIORITIES

The Project plan contemplates working in eight value chains prioritized through multiple indicators based criteria:

- **Economic potential:** value of production; Pakistan's vs. global yields ratio; percent changes in production (past five years); current value of exports; percent change in export volume (past five years); revealed comparative advantage (RCA); and relative trade balance (RTB).
- **Distribution of benefits:** Number of acres harvested or dedicated to animal production; net income, farm size, share of household income provided by value chain, and, the percent of value chain farms belonging to small producers.
- **Geographic location:** focus on high production areas or natural clusters for the targeted value chains.

The targeted value chains identified on the basis of an evaluation of the characteristic of each with respect to its potential for achieving quantitative impact on income and employment, as well as with respect to the distribution of benefit with respect to impacting small producers and enterprises.

2.6 PROJECT COMPONENTS

The project components are (i) technical assistance and (ii) value chain transformation support. However, as opposed to the traditional component led project, the project design places primary focus on target value chains and clusters and uses the sub-components as a means to an end. Project components serve as a framework for operational ease only and group the activities as a package of assistance. Within the technical assistance, there are several sub-components that aim to strengthen market linkages between stakeholders; catalyze value chains; and, maximize the participation of small farmers in formal value chains. The components will complement each other and are graphically illustrated in Figure-1 below:

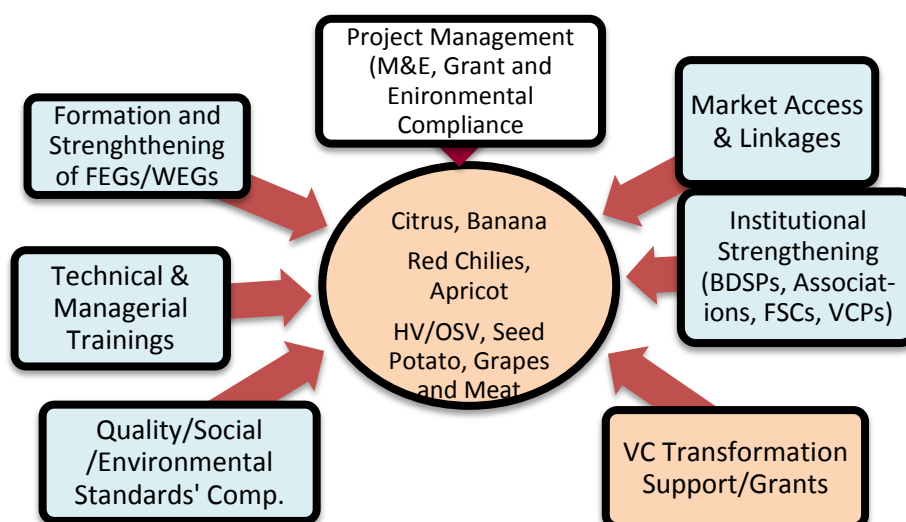


Figure 1: Project approach and components

2.6.1 TECHNICAL ASSISTANCE (TA) FOR VALUE CHAIN SUPPORT

This component of the project provides the basis for transformation support and includes a number of sub-components. The technical assistance is an integral part of the value chain transformational support and addresses various systemic and functional gaps in the target value chains. The technical assistance includes:

- Technical and managerial training and market access and linkages;
- Formation and strengthening of farmer enterprise groups/women enterprise groups; Institutional strengthening (value chain facilitators and service providers FSC, VCPs, Associations & Cooperatives); and, certifications standard compliance.

2.6.2 VALUE CHAIN TRANSFORMATION SUPPORT

The value chain transformation support provides assistance to eligible agribusinesses and farmer enterprise groups for undertaking capital and capacity investments to strengthen and expand prioritized value chains. It is designed to identify and support innovative ideas such as, expansion of product lines, increase market access and marketability of existing and new products, raise level of productivity, facilitate effective management/operation of enterprises and organizations/associations, and raise the level of investment in the agribusiness sector.

The transformation support is provided within targeted value chains as a complement to technical assistance, training and market intervention package that the projects provides to participants of value chain clusters. Transformation support covers gaps at the individual agribusiness level and fund proposals of associations and service providers only, for commercial activities.

2.7 FINANCIAL SUMMARY

The revised project duration is four years from November 10, 2011 to November 09, 2015. The revised project allocation, amount obligated and the expenditure made during quarter-3 and cumulative till end of quarter-3 FY 2014 are given below. The component-wise financial progress is placed at **Annexure-1**.

Total allocation of the project:	USD 39,947,421
Amount obligated to-date:	USD, 27,300,000
Expenditures during quarter-3, FY 2014:	USD 3,760,332
Cumulative expenditure till June 30, 2014	USD 22,872,470

3 PROJECT PROGRESS

A. TECHNICAL ASSISTANCE

3.1 STANDARDS COMPLIANCE

Pakistan has reported significant investment and growth in export of fruit and vegetables, as well as in the meat sector over the recent years. However, despite having tremendous potential, the country still shares negligible portion of the multibillion dollar trade of processed/value added food items. To compete in international market it has become inevitable to adopt food quality, safety and hygiene standards set by foreign buyers and consumers; the acquisition of export certifications is thus a minimum requirement for exporters.

Under the international certification sub-component of project, 23 enterprises have completed 23 certifications (7 Global GAP, 10 HACCP, 5 ISO and 1 Halal) and were issued certifications during the reporting quarter, enabling them to access international markets for sale of their produce.

The project selected fifty one companies for 53 internationally accepted certifications and engaged two consulting firms¹ and a certifying body² to facilitate preparation and certification process. The consultation and certification process for 53 certifications of British Retail Consortium³ (BRC), International Features Standards (IFS)⁴, Global GAP, ISO-22000, Halal, and HACCP were initiated in 2012 & 201, out of which 3 enterprises each for Global GAP and HACCP, one enterprise each for IFS and ISO were dropped out, while 45 certifications were successfully completed as per Figure-2. The list of companies certified is exhibited in **Annexure-2** and summarized position is reproduced below.

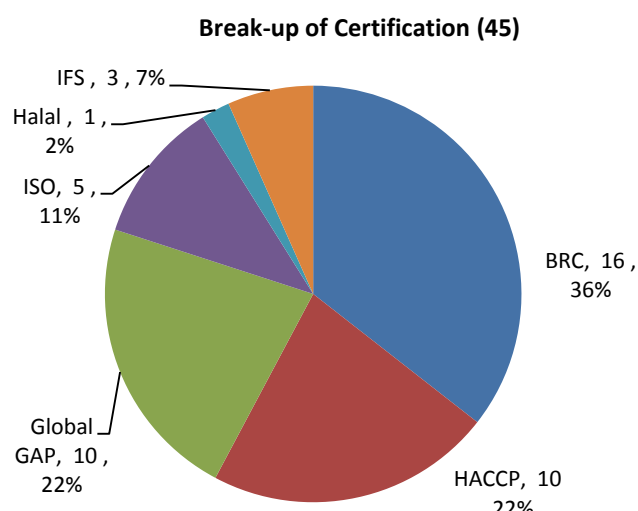


Figure 2: Break-up of certifications

- **BRC:** 16 enterprises certified.
- **HACCP:** 10 enterprises received certifications. 3 enterprises did not show interest to complete certification. The matter was pending for a long time and hence cancelled.
- **Global GAP:** 10 enterprises received certification; however, in case of Tawakkal Fisheries, certification body express its inability to audit because of not having relevant expertise to audit fisheries related business and hence was cancelled.
- **ISO:** 5 enterprises received certifications while an enterprise from DIKhan failed to comply & hence cancelled.
- **IFS:** 3 enterprises received certification, while in case of Tata Best Food, certification body expressed its inability to audit because of not having relevant expertise to audit meat related business & hence cancelled
- **Halal:** 01 enterprise completed certification.

¹Quality Systems and Star Farms

²BureauVeritas

³ BRC is one of the leading trade associations in the United Kingdom and represent 80% of retail trade in UK by turn over. In order to qualify for export of food products to exporting companies are required to comply with the BRC standards.

⁴ IFS is a case standard in Europe & all major retailers in Germany, France, Italy & other EU countries require suppliers to be certified to IFS.

3.2 MARKET ACCESS AND LINKAGES PROGRAM (IMAP)

Under the IMAP, the project as of previous quarter supported participation of horticulture and meat enterprises in various international marketing events for fruit, vegetables and meat. As a result of their participation in business to business (b2b) meetings with buyers, 13 companies had achieved export sales of USD 17.88 m. The products exported include kinnow, potato, dates, lemon, mango, meat, dried fruit, apricots, miscellaneous fresh fruit and vegetables to various export destinations including UAE, Saudi Arabia, Russia, India, Iran, Afghanistan, Ukraine, Spain and Indonesia. The two project supported companies from Lahore and Multan have achieved an export value of USD 272,200 during the reporting quarter as per details given below:

No.	Name of Marketing Event	Name of Enterprise	Export Products & Destination	Export Amount – USD
1	Gulf Food 2014	Abdullah Traders, Multan	Chilled Meat (Mutton)	7,000
2	AgraME 2013	Ikram Nizam Cold Storage, Lahore	174 tons Potato to Dubai	85,200
			360 Kinnow to Afganistan	180,000
			Sub-Total:	265,200
			Total:	272,200

The export values of fruit, vegetable and meat products during first 3 quarters of FY 2014 and cumulative as of June 2014 come to USD 7.56 m and USD 18.14 m respectively. The summary of marketing event wise export value achieved by beneficiaries is shown in Figure-3 below, while details are placed at **Annexure-3**.

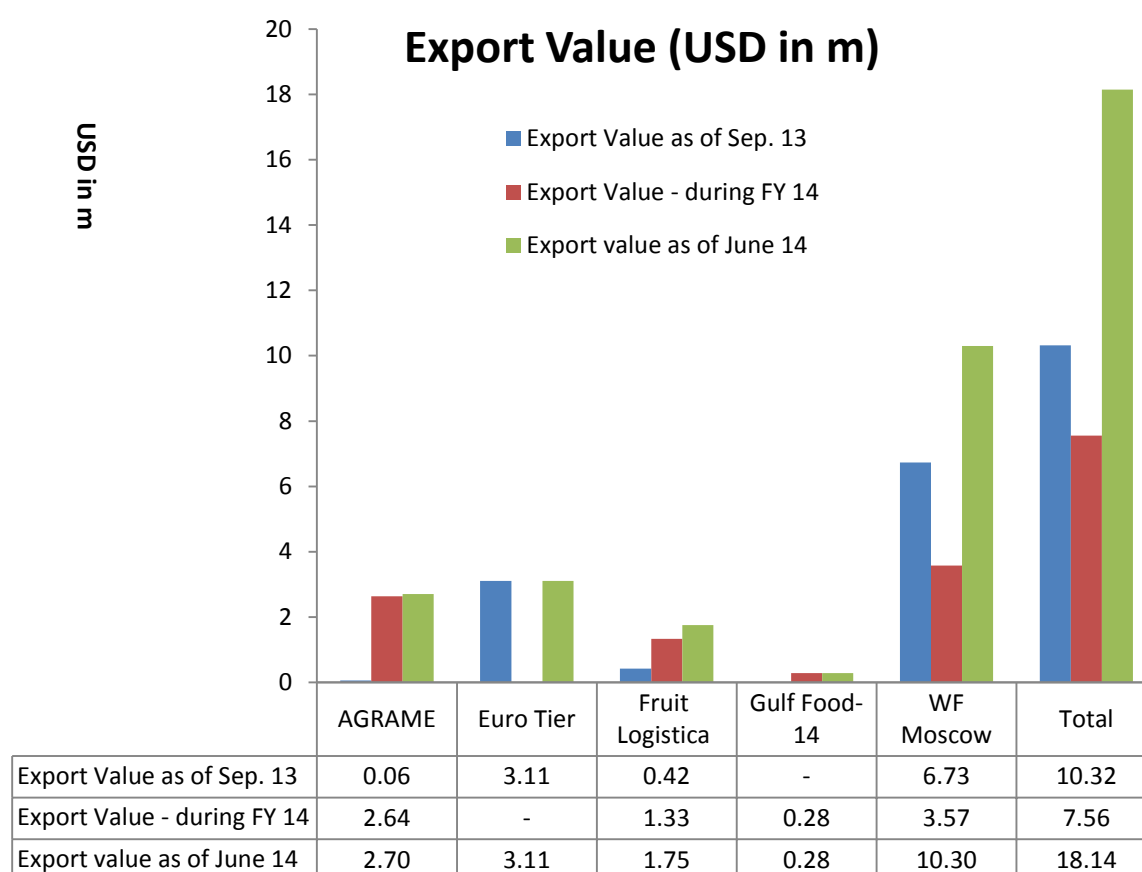


Figure 3: IMAP data - Export value

The following progress was achieved on IMLP component during the reporting period:

- a. The value chain assessment reports for 11 prioritized products were finalized. These were conducted to validate program interventions as well as competitive position of products in markets and the sustainability of those markets.
- b. The following rapid market assessments were conducted for prioritized market-product combinations to assess the identified international markets for increased opportunities for current products and the potential of market if the products are improved.
 - Meat (Halal) (GCC, Malaysia, Indonesia, and) Egypt, Iran
 - Veal (Halal) (Jordan and Egypt) Saudi Arabia, Kuwait
 - Potatoes (Russia, Ukraine, Kazakhstan, Tajikistan, Uzbekistan, Sri Lanka, and Malaysia)
 - Citrus [Kinnow] (Russia, Canada and GCC)
 - Chilies (GCC, Malaysia)

3.3 INSTITUTIONAL STRENGTHENING (VC FACILITATORS, SERVICE PROVIDERS, FSC, VCP, ASSOCIATIONS AND COOPERATIVES):

The second meeting of Banana Value Chain Platform was held on April, 15, 2014 at Hyderabad and attended by 25 members including growers, traders, exporters, representatives from government and academia. The participants discussed critical issues of their mutual interest and impediments adversely affecting quality Banana production, processing and marketing. The participants stressed upon TAP for development of communication material and training on banana good agricultural practices for increased quality yield per acre.

The third meeting of Red chili value chain platform was held on June 11, 2014 at Kunri and attended by 30 stakeholders including chili growers, traders and exporters as well as representatives of FEGs, public sector and research institutions. The meeting reviewed the progress achieved/status of decisions of second meeting, discussed the number of FEGs formed for red chili and support being provided to them. The project also shared a booklet on “red chili cultivation” prepared in Urdu and Sindhi languages for capacity building of chili growers.

A formal Memorandum of Cooperation was signed between ASF-TAP and Red Chili Growers Association (RCGA) at the VCP meeting. A visit to a model plot for improved cultivation of Chili was also undertaken by VCP members, where improved practices in cultivation, as well as drying technology, using TAP provided support were demonstrated.

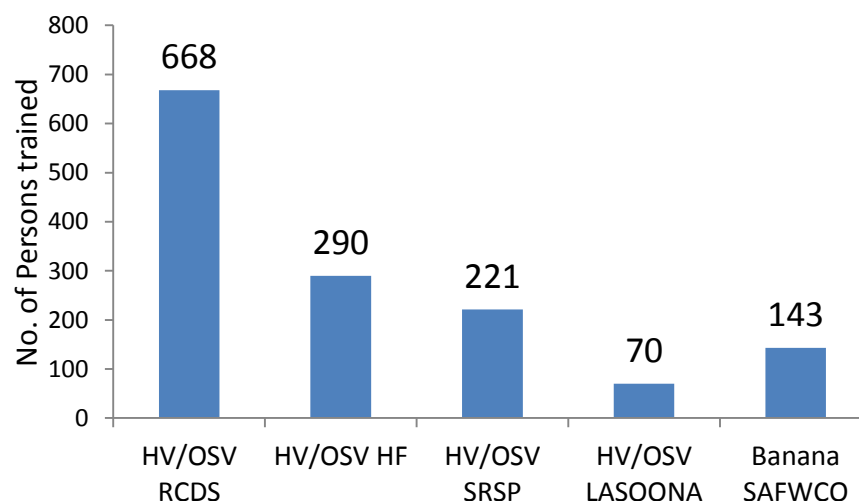


Figure 4: MoC signing with RCGA at Chili VC Platform Meeting

3.4 TECHNICAL AND MANAGERIAL TRAINING

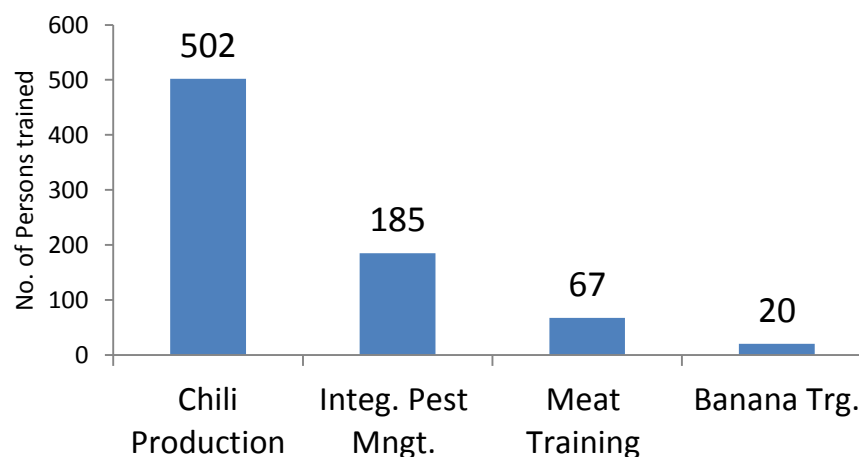
The following technical and managerial trainings were carried out during the reporting quarter. A total of 2794 participants were trained in various technical and managerial trainings as per details given below:

Enterprise Dev.: Trainings - 1392 persons trained



- i. The project finalized the enterprise development training manual on enterprise development training in English and trainees guidebook in Urdu. The technical expert engaged by the project and Capacity Building Expert facilitated development of training manual and training of Master Trainers.
- ii. Two training of trainer sessions for representatives of project and IP staff were held at Hyderabad from May 6-8, 2014 and Islamabad from May 14-16, 2014 and attended by 12 participants and 23 participants, respectively from implementing partners.
- iii. A total of 1392 FEG members were trained in two day enterprise development training as per break-up given below. Summary of the beneficiaries trained in EDTs are as under:
 - a. 668 FEG members for HV/OSV from Lahore region were trained in EDT by RCDS.
 - b. 290 FEG members for HV/OSV from Mansehra trained in EDT by Hashoo Foundation.
 - c. 221 FEG members for HV/OSV from Peshawar and Nowsehra districts trained by SRSP.
 - d. 70 FEG members for HV/OSV from Swat and Dir districts trained by LASOONA.
 - e. 143 FEG members for Banana from Matiari district trained by SAFWCO.

Technical Trainings - 774 persons trained



- iv. 20 Large farmers were trained in Banana Bunchy Top Virus Control and Management held on June 10-11, 2014 at Sindh Agriculture University Tandojam. The training provided information to banana growers regarding preventing their crop from getting infected from Bunchy Top Virus.
- v. 57 Supervisors and 10 workers from Meat Industry were trained in meat processing techniques in collaboration with University of Veterinary and Animal Sciences, Lahore.
- vi. 197 FEG members trained in Integrated Pest Management and PERSUAP.
- vii. 502 red chili growers/FEG members were trained (35 batches) on Chili crop production techniques and demonstration of geo textile sheet held from June 11-28, 2014 at Kunri. The second module on post-harvest practices is scheduled for August 2014.

B. TRANSFORMATIONAL GRANTS

The value chain wise progress achieved on transformation grants support during the reporting quarter is discussed below:

3.5 APRICOT VALUE CHAIN

Establishment of Apricot Orchards: The project is supporting establishment of 20 Apricot orchards on 25 acres of land in Gilgit Baltistan. The lay-out, pits digging, poles fixing and fencing, tree plantation and tree top working of 2 Apricot Orchards were completed during this quarter, making the total of 20 Apricot orchards established with project support that will lead to transformation of apricot. The project also provided pruning kits to apricot farmers.

The linkages of Apricot orchards owners were also created with Mountain Area Research Center (MARC) Jaglote Gilgit from where the Apricot farmers purchased rootstock plants and with the large buyers for marketing of dried apricot.

The owners of Apricot orchard have purchased rootstock plants from Area Research Center Jaglote Gilgit, thus creating linkages with large scale firms with project support. A number of large buyers/processors including M/S Organo Botanica, M/S High Land Gaba Food, and M/S Mountain Fruit (Pvt) Limited have showed interest in buying of dried Apricot from the project beneficiaries in GB.

Provision of Small Solar Tunnel Dryers: The Apricot farmers in GB are being supported through provision of Small Tunnel Dryers. The contracts agreements were signed with 80 FEGs having 800 farmers (75% female) for establishment of 800 small tunnel dryers in five districts of Gilgit Baltistan. (Hunza Nagar-240, Ghangche-170, Ghizer and Gilgit-140 each, and Gojal-110). Out 800 grantees, 610 have installed structure of small tunnel dryers. Of the 610, 120 farmers/FEG members have completed installation of small tunnel dryers and started apricot drying. The project continued



Figure 5: AOR presenting toolkit to orchard owner



Figure 6: Apricot Drying at Small tunnel dryer at Danyore-GB

technical assistance to Apricot farmers in installation of solar tunnel dryers. The small solar tunnel dryer uses advanced drying technology for Apricot processing and would support improved quality of dried Apricot, which will result in increased sales revenue, beneficiaries' income, and creating new jobs, besides minimizing post-harvest losses.

3.6 BANANA VALUE CHAIN

Banana Technical Training: Twenty Large farmers were trained in Banana Bunchy Top Virus Control and Management held on June 10-11, 2014 at Sindh Agriculture University Tandojam. The training provided information to banana growers regarding preventing their crop from getting infected from Bunchy Top Virus.

143 Banana growers from 10 FEGs from Matiari, Hyderabad and Tando Allahyar trained in a 2 day Enterprise Development Training at Hyderabad.

62 Banana growers were trained on Integrated Pest Management as per provision of the project's Environmental Assessment report.



Figure 7: Banana Bunchy Top Management Training at Tandojam,

3.7 RED CHILI VALUE CHAIN

502 red chili growers/FEG members representing 70 FEGs were trained (35 batches) on Chili crop production and demonstration of geo textile sheet from June 11-28, 2014 at Kunri. The trainings were conducted at village level with help of panaflex sheets, using different cultural practices and providence of crop literature. The second module on post-harvest practices is scheduled for August 2014.

On June 26, 2014, President of Pakistan Agriculture Coalition Company (PACC) Mr.Arif Nadeem, along with three delegates (CEO, National Foods, Sr. Vice President, Habib Bank and representative from Siddique Sons, cold storage) visited TAP's Technical Training; Govt. Lab for Chili analysis, SMEDA's Chili processing plant and had a meeting with Red Chili Growers Association (RCGA). The National Foods will work along with PACC to setup a purchase center at Kunri for purchase of red chili from project supported FEG members and explore options for operationalization of SMEDA's Processing plant on public private partnership basis. The project facilitated market linkages development of Chili growers with large buyers (PACC and National Foods).



Figure 8: Demonstration of Geo Textile Sheet at Chili technical training, Kunri

3.8 HIGH VALUE OFF-SEASONS VEGETABLES (HV/OSV)

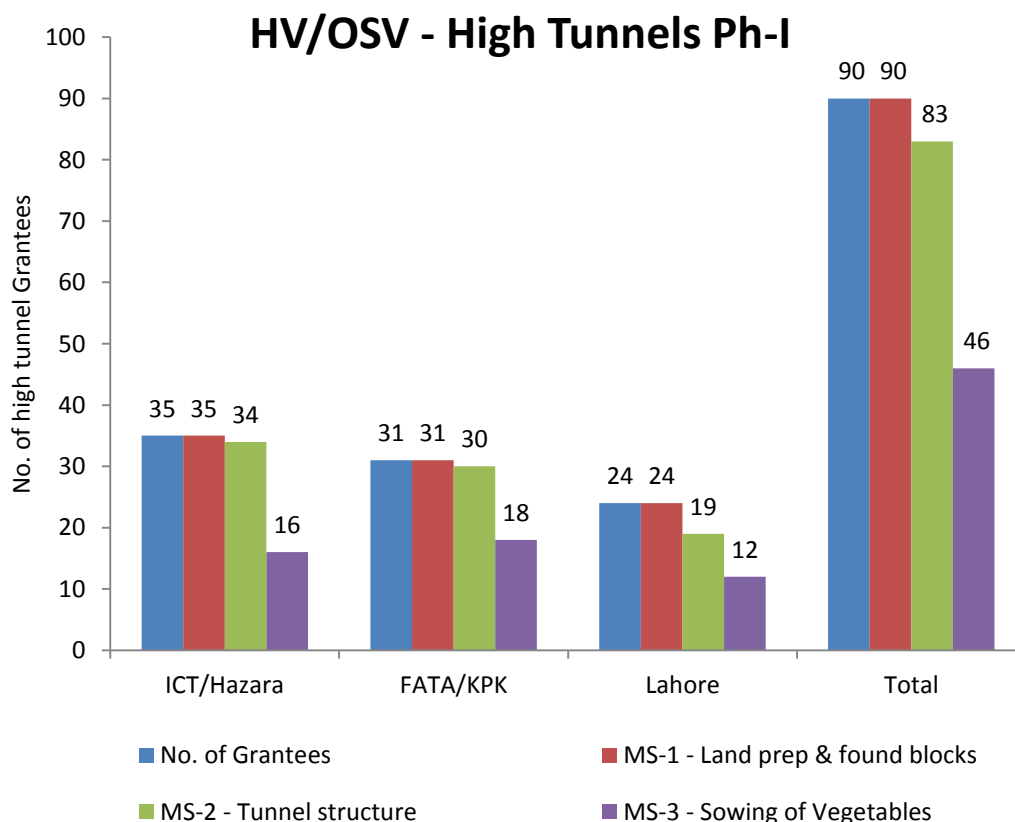
Establishment of High Tunnels for HV/OSV

There is a growing trend of high value and off-season vegetables production throughout Pakistan. This is among the fastest growing sub-sectors owing to its relatively high profitability and increasing market demand. The project is supporting the production of high value off-season vegetables in KPK, ICT/Potohar and Lahore regions through construction of high tunnels and adoption of plastic culture.

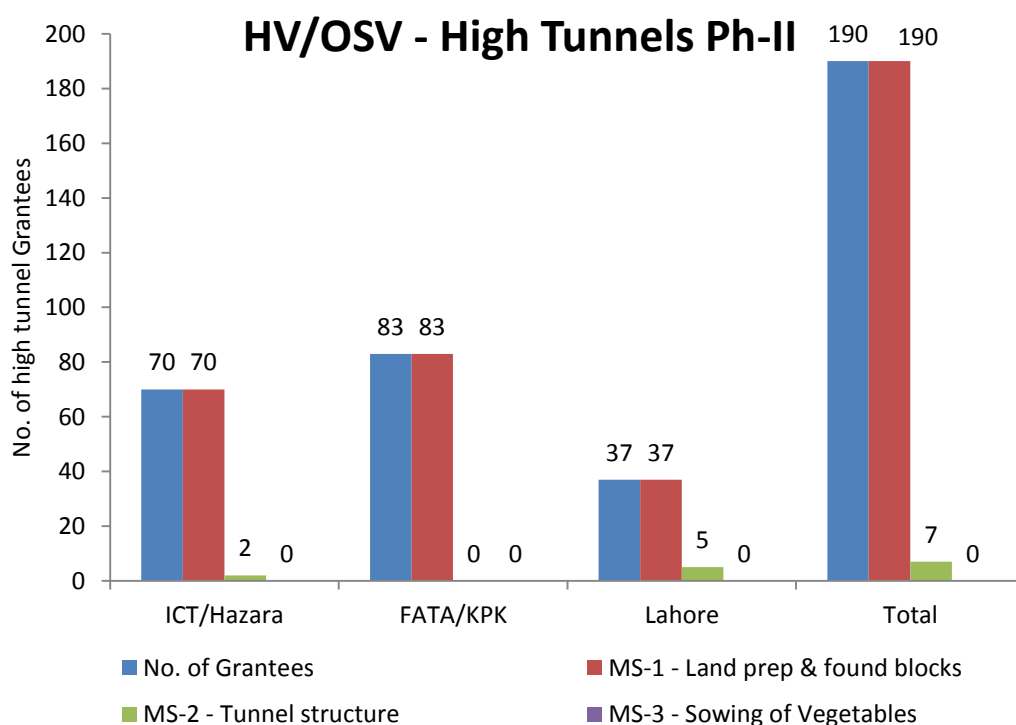
83 of 91 farmers of Phase-I from KPK/FATA, Hazara, ICT/Potohar and Lahore regions have completed layout of land and construction of foundation blocks (milestone-1) and high tunnels structure work (milestone-2) for production of HV/OSV.. 46 Grantees have sown HV/OSV including tomato, cucumber, bitter gourd, bottle gourd, hot pepper, okra etc. inside the high tunnels. The details are given in Figure-below.



Figure 9: Female Workers at project supported tunnel



As regards, phase-II of the high tunnels, 190 beneficiaries have completed milestone-1, while seven of these have also completed milestone-2as per details given below in graph below.



The project supported 2084 famers/FEG members from 147 FEGs for HV/OSV through provision of improved quality hybrid HV/OSV seed. This include 24 FEGs formed by SRSP in District Peshawar and Nowshera, 45 FEGs formed by LASOONA in Swat and Dir Lower, and 25 FEGs formed by Hashoo Foundation in Mansehra and 53 FEGs formed by RCDS in Lahore region. The orientation & demonstration sessions on HV/OSV production were conducted on the day of grant delivery to FEGs. These FEG members will be provided farming toolkits. The FEG members have sown HVOSV seed. The production and sales data of these FEG members will be largely available in next quarter and will be reported accordingly.



Figure 10: Seeds distribution to FEGs by RCDS in Lahore

The project organized Pakistan Vegetable Fair 2014 on May 15, 2014 at Islamabad, which was attended by over 250 key stakeholders including large buyers, exporters, traders, vegetable producers and experts from academia, Government officials and USAID representatives. The event provided an opportunity to participants to acquire knowledge and establish business linkages. Ms. Nancy Estes, Deputy Mission Director US Embassy/ Chief Guest, appreciated the event and expressed her satisfaction on the support that the beneficiaries had gained from USAID



Figure 11: Project Grantee explaining HV/OSV production to Dy. Mission Director US Embassy

interventions and desired for scaling up their operation towards structured farming of high-value and off-season vegetables. The event was featured on PTV and covered by four national periodicals.

Four Farmers Field Days for production of HV/OSV through high tunnels were organized at Nankana Sahib, Charsadda, Swat and Haripur Districts on May 13, 27, 29, and June 17, 2014 respectively and participated by 145 high tunnel grantees, buyers, Seed companies and representatives of research and extension department. These events proved to be an effective tool for getting better insights into crop management techniques and establishing business to business linkages. The representative of Metro Cash and Carry showed interest in buying HVOSV produce from farmers.

3.9 ESTABLISHMENT OF GRAPE ORCHARDS:

Grape value chain in the Potowar Region presents a unique opportunity for both producers and buyers to earn high incomes. Before de-scoping, The Agribusiness Project (TAP) did significant work in this value chain in the region and helped farmers establish vineyards on 90 acres, while another 67 grapes orchards on 201 acres of area are being established with the project support. The following key progress was achieved on the grapes value chain during the reporting period.

The contract agreements were signed with 67 grantees/farmers from ICT/Potowar, Attock and Chakwal districts for establishment of 67 vineyards, each on 3 acres of land. Out of 67 Grape farmers, 58 (87%) have completed grapes plantation. The fabrication of trellising materials including Y-shape pillars and anchor posts are in progress at the local industry. The production capacity is 360 Y-shapes pillars per day and it takes on average 1.5 days to complete fabrication of 480 Y-shapes pillars and anchor posts for a single grantee. As of June 2014, twelve (12) vineyards have been established. The remaining 55 vineyards are expected to be largely completed by September 2014. The International grape expert conducted 3 practical demonstration sessions on post-harvest best practices, use of evaporative cooling system for field heat removal, sorting and pruning and best packaging and marketing practices for 30 project supported farmers around Islamabad.

Thirty private sector enterprises including grapes growers, processors, buyers, input suppliers and service providers participated in Farmers Field Day on June 18, 14 at Mr. Azam, vineyard, Attock. The participants discussed issues of their mutual interest and offered support for promotion of grape industry. The Punjab Irrigation Department Punjab offered extending drip irrigation facilities to more project supported vineyards upon receiving request for the same.



Figure 12: Grapes Farmers Field Day

3.10 SEED POTATO VC

In pursuance to the business to business meeting between Seed potato producers from GB and large Potato buyers organized by The Agribusiness Project, at Gilgit in January 2014, a number of private sector companies have entered into contract farming with the seed potato farmers from Gilgit Baltistan. The total private sector investment leveraged by three companies in seed potato amounts to USD 177,500 as per details given below:

- i. M/S Zamindara Seed Corporation (ZSC) has signed an MoU with 6 FEGs of Yasin valley-



Figure 13: b2b meeting of Seed Potato buyers and sellers

District Ghizer–GB for production of seed potato over an area of 50 acres during 2014. ZSC will provide seed to the FEGs/farmers on credit basis for sowing and will buy back the entire production at a guaranteed price. ZSC has also provided 62 ton of quality seed potato worth USD 62,000 to farmers in Yaseen valley and will buy back the produce from the farmers.

- ii. M/S Nangah Perbat Seed Company was also linked with project supported seed potato farmers. This Company has provided seed potato worth USD 70,000 to the Seed potato farmers in Chillas and will buy back the produce from the farmers.
- iii. M/S AGB Seed have also made similar agreement with the project seed potato beneficiaries in Hunza Nagar District and extended Seed potato worth USD 45500 to the farmers for sowing.

It is worthwhile to mention that last year, the project provided seed to over 1300 FEGs members for Potato from GB region, however, this year, the project has developed linkages of the farmers with large companies and leveraged private sector investment.

The project signed contract with National Agriculture Research Council (NARC) for building capacity FEGs member of seed potato VC from GB and KPK region. The training contents and plan is being finalized in consultation with the project. This will be followed by roll out of the training program.

The excavations for construction of 14 cellars/storage facilities for seed potato have been completed by 14 enterprises. The project is supporting these enterprises through technical assistance and provision of materials for construction of cellars. The Agribusiness project organized an orientation session on May 27, 2014 at Gilgit with 15 private sector enterprises for construction of seed potato cellar followed by signing of Grant agreements with them. The Project is supporting these enterprises through provision of building materials for construction of cellars/storage facilities for seed potato.

3.11 MEAT VALUE CHAIN:

As part of implementation of Meat Value Chain, M/S University of Veterinary and Animal Sciences (UVAS), Lahore, was engaged for training of 200 trainees from the meat industry on implementation of best practices in meat supply chain production process for three levels of meat sector viz-a-viz Managers, Supervisors and Workers. The training aims at strengthening the ability of Pakistani meat processors and exporters to meet international quality standards and hygiene for halal and traceable meat and meat by-products to the Middle East and other markets.



Figure 14: Practical demonstration at Workers Training

A total of 57 Supervisors and 10 Workers from Meat Industry of Karachi and Lahore were trained in 2 day training on meat processing. The trainings were conducted in collaboration with University of Veterinary and Animal Sciences (UVAS) experts under the 3 tier modular training program for strengthening capacity of meat industry. A total of 30 Managers, 115 Workers and 57 Supervisors from Meat Industry were trained in Karachi and Lahore by UVAS under this training program. The Project's International Carcass Specialist imparted training to participants in Australian Meat Cuts for targeting the meat export.

Development of Standard Operating Procedures (SOPs) for Buffalo veal Production in collaboration with University of Veterinary and Animal Sciences (UVAS)

The project in collaboration with UVAS Lahore is developing the Standard Operating Procedures (SOPs) for raising buffalo calves to veal. This includes treatment protocols, calf rearing parameters, calf carcass parameters and statistical analysis of animal growth/health at different intervals. The SOPs for production of

veal from buffalo animals is aimed at developing a model for encouraging commercial veal production. The procurement of SOPs is based on rearing of 100 buffalo calves during a six months period to establish the procedures for quality production of pink veal; at the village level and subsequently at the commercial level to tap export market under the compliance of international standards, ultimately triggering development of a sophisticated meat supply chain as part of an integrated approach to transformation of sector in the economy.

On June 21st, The Project supported a veal production and marketing visit for stakeholders of Meat Value Chain from Karachi, Peshawar and Lahore, who visited UVAS Lahore and Pattoki campus, where the participants viewed the calves reared under the veal production for further marketing the milk-fed veal calves under the pilot being carried out by UVAS. The purpose of this visit was at introducing the first batch of calves raised under the program to its potential market and interested stakeholders.

The project supported a six day study tour of 18 Meat enterprises and 7 Livestock Officials from KPK to Punjab from June 15-20, 2014. The group members had meetings with a number of Livestock SMEs/ exporters and witnessed numerous good practices and technological interventions in livestock sector. There was a class capacity development session for livestock & dairy farmers and Livestock Department Officers, followed by visit to Business Incubation Centre-UVAS, Al-Abideen International, Solve Agri Pvt Ltd, Bahadur Nagar Livestock Research Station, Anjum Farm, Sapphire Dairies, Fattening Facility Kasur, Nestle Dairy Farm, Du-Pont Pioneers Seed Pvt Ltd.



Figure 16: Exposure visit of KPK Livestock farmers to Punjab

A meeting was also held with All Pakistan Meat Exporters and Processors Associations (APMEPA) at Lahore on June 5, 2014 and attended by 7 meat stakeholder. The APMEPA requested project support in registration of the association, capacity building and market linkages of meat stakeholders.

USAID and TAP staff attended meeting with Meat stakeholders on June 18, 2014 at Karachi and discussed challenges in meat market such as quarantine issues, commercialization of meat market. The meeting was attended by 12 participants from Meat One, Tata Food, Seven Star, and Organic Meat Company.



Figure 17: USAID and TAP officials meeting with meat stakeholders at Karachi

3.12 SUMMARY OF GRANT COMPONENT:

The summary of the progress achieved on the grant component is as under:

- i. Provided support to sixty seven (67) individual farmers for Promotion of Grapes Production in ICT & Potowar Region. The purpose of the proposed intervention is to promote production of two varieties of grape i.e. Flame Seedless and Kings Ruby, in high potential areas. The aim is to identify and support individual farmers who have the capability to invest their own financial and other required resources and who have the willingness to learn and employ new technology for a sustainable business venture. Forty Seven (47)

grantees have provided support for completion of 1st Milestone under FOG. Activities in 1st milestone include Lay-out, pits digging & filling and plantation.

- ii. Under Grant Support to FEGs, The Agribusiness Project provided grant support of improved quality Vegetable Seed to the following interventions;
 - High Value / Off-Season Vegetables to 60 FEGs of in Sheikhpura, Nankana & Kasur.
 - Promotion of High Value / Off-Season Vegetables to 25 FEGs
 - Promotion of High Value / Off-Season Vegetables to 24 FEGs in Nowshera & Peshawar
 - Promotion of High Value / Off-Season Vegetables to 45 FEGs in SWAT & Dir Lower.
- iii. Under Grant Support to Apricot FEGs, The Agribusiness Project provided support to 19 FEGs (220 FEG members) on satisfactory completion of complete erection of pipe structures, fixation of UV sheets, sheet locking and installation chimney, while 3 out of 19 FEGs, were provided second tranche on successful fabrication of racks and trays and completion of solar duct. A total of 80 FEGs (800 FEG members) are being provided support for installation of small solar dryers for drying of apricot.
- iv. Under Grant Support to Individual Farmers (Phase-I), The Agribusiness Project provided support to Sixty Five (65) grantees for establishment of high tunnels for completion of 1st Milestone, Seventy Five (75) grantees for completion of 2nd Milestone & Forty Three (43) for completion of 3rd Milestone.
- v. Under Grant Support to Individual Farmers (Phase-II), The Agribusiness Project provided support to 121 grantees for establishment of high tunnels for completion of 1st Milestone and Three (03) grantees for completion of 2nd Milestone.

3.13 MANAGEMENT SUPPORT UNIT (MONITORING AND EVALUATION)

The Management Support Unit continued realignment and smooth functioning of its activities, compilation of the quarterly report, and quarterly monitoring and assessment of the project activities. Areas of further focus were identified that included improvement in data quality, need for gender integration in all data collection tools, need for assessing data credibility / data quality assessment, identification of critical control points in data transmission, regularity of staff assessments, and impact evaluation.

- i) The enterprise development trainings were monitored. The training assessment and evaluation were carried out on prescribed templates developed for the purpose. Focus of the post-test was on critical concepts without which the trainees would not be able to apply the imparted knowledge and skills.
- ii) The revised monitoring and evaluation plan for TAP was developed for the revised project activities and submitted to USAID. As part of the Project Indicator Reference Sheet (PIRS), a set of operational definitions were developed for indicators covering jobs, income, sales, and value of exports attributed to USG assistance.
- iii) The M&E Plan included all relevant indicators, frequency of data collection, for activities, outputs, and outcomes/ results, as well as the corresponding methodology for such data acquisition. The M&E Plan also included a data collection plan that identified what data will be collected, when will it be collected, who will analyze it and to whom it shall be reported to. A data collection framework was also designed, based on which, data collection and reporting tools for jobs, income, sales, and value of exports, training events, and post-training follow-up were refined. In addition, sample size for carrying out regular evaluation exercise was also worked out.
- iv) The targets for EGA Indicators were revised with detailed rationale for calculation for each indicator in the targeted value chain in consultation with relevant value chain leads and USAID counterparts. The MVE

team has started data collection on EGA targets from relevant stakeholders on sampled basis with the view to validate the projections and /or provide any feedback, as applicable..

- v) A total of 27 monitoring visits were made to different districts, including Karachi, Hyderabad, Kunri, Gilgit, Lahore, Multan, Peshawar, and Nowshera during the reporting quarter. TAP interventions monitored included solar dryers, chilies, milk chillers, milking machines, high tunnels, Pomegranate and grapes orchards and farmer field days. The following recommendations were made:
 - Technical training and enterprise development training should be synchronized with provision of grants. Grantees requested for market assessment training to identify, which crop/vegetable should be sown.
 - Some beneficiaries of the aero tubes and milking machines requested for further trainings on use of these machines, maintenance for best returns.
- vi) The guidelines for validation of TAP interventions were developed followed by validation of data received from value chains in monthly and quarterly progress reports. The validation and pre-award assessment of 22 applicants for High Tunnels was carried out.
- vii) The project initiated evaluation studies of the project interventions and grant products completed in first two years. One international consultant, three local consultants were engaged for the purpose. The inception report, including design of the evaluation study, sample sizes and evaluation framework has been completed. The study also included the need for projecting impact of interventions up to 10 years. This aspect was important to assess the potential impact of those interventions that were, though initiated during the project period, but by virtue of their natural development, would spill over in post-project duration for its full impact to be actualized. The evaluation study will be completed in quarter-4.
- viii) The MSU provided support to project management in development of plans, detailed activity plans and presentations of project activities/achievements. The progress review meetings were held on weekly basis, providing input for important decisions relating to program planning, implementation and monitoring. The progress review meetings were also facilitated with USAID.
- ix) The MSU team provided continued support to the project management in preparation of periodic progress reports for submission to ASF, USAID. The progress reports were uploaded on USAID Pak Info, Micro Enterprise Results Reporting databases, Trainet etc.
- x) The project facilitated the USAID and MSI-M&E Program team in conducting data quality assurance (DQA) for the EGA indicators. The team also met the project's regional team at Peshawar and implementing partner to validate data collection, storage, retrieval, analysis and reporting system at the grass root levels.

3.14 BRANDING, MARKING AND COMMUNICATION

The Communications Section provided support to the project activities in targeted value chains, to ensure that all direct and indirect stakeholders of the project, especially the beneficiaries, are aware that the financial assistance for all grants awarded and capacity building initiatives come from the American people through USAID and the Agribusiness Support Fund (ASF). Developments in this regard were i) Branding and marking of project activities ii) Publications (supportive and promotional materials of USAID and ASF) iii) Matching selected communication tools iv) Highlight success stories of beneficiaries v) Field visits and picture archiving and vi) Appropriate and timely media coverage (press and electronic) Website management and social media updates.

In addition to general tracking, documentation and branding of activities across value-chains, development of video documentaries for Meat and HV/OSV and design of project communication materials for printing, TAP communications section contributed to various project promotion events including Vegetable Fair 2014 and visits of VIPs to the project sites.

3.15 ENVIRONMENTAL COMPLIANCE

Environmental Compliance has been recognized as an integral part of TAP implementation as required under 22CFR216. Various tasks conducted by the Environment Compliance during reporting period are explained below:

- The project carried out quarterly environmental monitoring of 115 completed grants and developed reports. The grantees were trained on EMMP, safe use of pesticides as per PERSUAP, solid waste management and on health and safety issues including training on quarterly monitoring plan.
- The environmental documentation forms for 15 cellars and 39 vineyards were developed and subsequently approved by USAID. 15 additional EDFs for high tunnels were also developed.
- The training manual on Integrated Pest Management (IPM) practices for Chili and Banana value chains were developed.
- Seven training sessions were held. 156 participants/FEG members from Chilli and Banana VCs and 29 participants/farmers from Apricot Orchards and Potato cellars were trained in IPM practices in line with USAID approved umbrella Pesticide Evaluation Report and Safer Use Action Plan, PERSUAP training. Details are placed at **Annexure-4**



Figure 18: IPM training

3.16 CNFA SUPPORT TO THE AGRIBUSINESS PROJECT

- CNFA provided continued support to the project in strengthening M&E system, incremental delivery and testing of MIS for grants management, capacity building, environmental compliance, and provision of national and international short term technical assistance in horticulture and livestock sectors.
- CNFA launched international STTAs to provide hands on training and technical assistance in postharvest handling, management and marketing of grapes. These vineyards are being supported by TAP in ICT and Potohar region under the newly established grapes value chain.
- CNFA IT/MIS team facilitated validation for TAP accounts, HR and procurement modules. Also, the team reviewed and contributed to development of prototype screens for grants and M&E modules. The CNFA's provided support for development of Enterprise Development Training (EDT) Manual in consultation with relevant project stakeholders and also trained master trainers in 2 TOT sessions.

- The Management Support Unit (having both TAP & CNFA staff) developed and submitted revised Monitoring Plan for TAP to USAID. The MSU also provided support in implementation of various M&E components such as Data collection, Quality and data assessment tools and impact evaluation.
- The Monitoring and validation of various grant products were carried out. The MSU focused on carrying out evaluation studies of TAP completed grant products/activities in Yr. 1&2 by local consultants under supervision of an International M&E Consultant. MSU organized USAID quarterly review and uploading of TAP training and project data on USAID designated web sites.

3.17 IMPLEMENTATION CHALLENGES AND ISSUES REQUIRING MANAGEMENT ATTENTION

- The complex nature of the project targeting large number of agribusinesses across the country is a challenge. The scattered location of project sites warrant increased resources for M&E, environmental monitoring and mitigation. This is a daunting challenge for timely completion and closure of project.
- The project is expected to speed up implementation of activities across the country, however, the prevailing poor law and order situation in project areas, has been a major challenge for travelling of staff especially expatriate STTAs working with the project. The delays in startup of activities may result in late completion.
- The project activities are time and season bound, while on the other hand, Grantees are responsible for its implementation including establishment of tunnels, orchards under the Fixed Obligatory Grant (FOG) mechanism/agreement signed with TAP. This process requires extensive technical and mentoring support to the Grantees, so as to enable them to implement required activities in a timely and effective manner. This process at times may lead towards delays in implementation of activities, however, it inculcates the culture of grantee's ownership and sustainability of interventions as the grantees are capable to upscale and replicate the model at their own.
- Lack of cooperation from the grantees, especially in the post grant award phase, where some of grantees often do not provide complete and accurate information of their activities and outcomes. This could be offset by adopting a case study based approach for extrapolation of the project results.

4 PROGRESS AGAINST EGA INDICATORS

4.1 Progress against Indicators

With the roll out of project activities and registration of beneficiaries, the Project is collecting rolling baseline information and periodic progress reports of project interventions on relevant indicators to identify changes in sales revenue, households' income and new jobs opportunities creation etc.

The targets for EGA indicators were reviewed and mostly upward revised based as per discussion with USAID EGA counterparts and in consultation with project technical experts (value chain leads) in April 2014. The detailed rationale for revised targets for 13 EGA Indicators for each of the prioritized value chains was developed. The value chain-wise life of project (LOP) indicative targets with 10 years results projections were also shared with USAID. The targets for 9 EGA indicators were upward revised; targets for 2 indicators were slightly downward readjusted, while there was no change in targets for 2 indicators. The revised targets for EGA Indicators were also uploaded on USAID's Pak Info website.

The progress achieved during the reporting quarter, year and cumulative progress as of quarter-3 of FY 2014 (June 2014) against the targets of EGA indicators is paced at **Annexure-5**.



USAID
FROM THE AMERICAN PEOPLE

PAKISTAN *Early Progress Report XI*

SUCCESS STORY

GRAPE FARMING IN POTOHAR REGION

Improved pre- and post-harvest techniques have improved the quality and increased profitability of the produce



“For the first time, I have sold 75% of my farm to the contractor before harvest,” said Wasiq Khan, a grape farmer from the Potohar Region.

Nestled in the Potohar region of Pakistan, in the village of Mallho in District Attock, Mr. Wasiq Khan along with his team start the process of harvest in his grape vineyard before the July monsoon rains. Acres of grape vines, heavy with King Ruby and Flameless Seed grapes are sprawled across the trellises. Mr. Wasiq Khan, the proud owner of this vineyard has already sold 75% of his produce for a hefty sum of Pak Rs.2.125 million. This was not the case 2 years ago.

After years of growing potato and wheat, Mr. Khan decided to start grape farming in 2010. After planting the grapes saplings, Mr. Khan tended to it for 2 years till the vineyard reached the fruiting stage. The first fruit harvest ended with no profit as most of the fruit was of poor quality. In 2013, through The Agribusiness Project funded by the USAID and implemented by the Agribusiness Support Fund, Mr. Khan received training on Vineyard management. Through the project he learnt pre- and post-harvest management techniques such as trellising, canopy management, spur pruning, picking and packaging. Through these practical, field-based trainings and technical support, Mr. Khan's vineyard blossomed and in 2014, even before harvest, buyers had purchased 75% of his farms produce.

“Through The Agribusiness Project (USAID funded), we have received technical support and trainings that have been critical in producing a 100% turnaround profit for my farm. I hope we can continue receiving their support in the future as we want to be able to produce grapes that are of export quality. Right now we are not very far from that”.

Mr. Wasiq Khan is now proudly showing his grapes to buyers due to their superior quality and is also earning money by selling saplings from his vineyard.



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PAKISTAN Yearly Progress Report XI

SUCCESS STORY RED CHILLI- BEFORE AND AFTER

Kunri, a major hub for red chillies in Pakistan has been suffering due to the rapid annual deterioration of the quality of the vegetable.

Red chillies are attacked by pests and other diseases causing a major decline in the export market. Farmers lack the skills of modern techniques which could prevent such losses. The Agribusiness Project funded by the USAID is currently training over 1,000 red-chili farmers to enable them to implement modern techniques in farming. The training focused on key techniques such as treating the chili seed and planting it on raised seed beds so it can fight pests and other diseases from an early stage. This reduces the chances of the crop from getting infested. Farmer Kazi Sumar said, "The difference between conventional and modern methods is evident. It has convinced us to adapt such practices in future so red chillies can meet the high end market again."



BEFORE: Weak stems and nutrient deficiency is apparent, consequently affecting the growth, quantity and quality of the crop. Crop grown from traditional method is more prone to pests and disease attack.



AFTER: The growth is faster as red chillies have started growing already. The seeds were planted on raised seed beds and dipped in fungicide. This gives the crop the ability to fight against pests and other diseases such as Aflatoxin. The crop develops a stronger root system enabling it to efficiently absorb nutrients, look healthier and fresher.

ANNEXURE-1: FINANCIAL PROGRESS

No.	Head of Account	During Quarter -3 (April – June 2014)	Cumulative till June 2014
1	Salary, Wages & STTA	476,443	4,206,716
2	Fringe Benefits	46,645	834,710
3	Travel	89,927	812,933
---4	Equipment	25,534	534,790
5	Supplies	475	478,665
6	Communication	78,118	178,137
7	Security Cost	43,114	335,604
8	Training	4,548	22,441
9	Sub-Contracts	590,327	4,481,089
10	Sub-Grants	1,751,899	4,783,050
11	Others Direct Costs	653,302	6,204,335
	Total Cost	3,760,332	22,872,470

ANNEXURE-2: LIST OF COMPANIES CERTIFIED

Sr. #	Company	Contact Person	Location	Certified
1	Saeed Khan Enterprises	Saeed Khan	Karachi	BRC
2	Get Fresh	Shazia Mateen	Karachi	BRC
3	Shaikh International	M.Nasir	Karachi	BRC
4	Hamza Brothers Impex	M.Ilyas	Karachi	BRC
5	M. Ilyas & Brothers	M.Naseer	Karachi	BRC
6	Jehanzeb Muhmand & Company	Jahanzeb Khan	Karachi	BRC
7	M. K. Enterprises	Syed Jan. M	Karachi	BRC
8	Nazir & Sons	Shehzad Waraich	Karachi	BRC
9	Green Overseas	Ghulam Abbass	Karachi	BRC
10	Durrani Associates	Nadir Khan	Karachi	BRC
11	Seabird Fisheries	M.Ilyas	Karachi	BRC
12	NF International	Faisal Rehman	Karachi	BRC
13	Tata Best Foods Ltd.	Bilal Shahid Anwer	Karachi	BRC
14	Jam Traders	Munawar Hussain	Karachi	BRC
15	Khurram Enterprises	Pervaiz Hussain	Karachi	BRC
16	Asia Megafoods	Imtiaz Hussain	Karachi	BRC,
17	KGF Farm - Rabia Sultan	Rabia Sultan	Muzzafargarh	Global GAP
18	SMAS Fruit Farm	Raheel Nasir Shah	Matiari, Sindh	Global GAP
19	Ghulam Ali Shah Pasha	Ghulam Ali Pasha	Matiari, Sindh	GlobalGAP
20	Durrani Associates	Nadir Khan	Karachi	IFS
21	Imtiaz Enterprises	Imtiaz Hussain	Karachi	IFS
22	Asia Megafoods	Imtiaz Hussain	Karachi	IFS

	Year-2			
23	Adeel Mahmood Shah	Adeel Mahmood Shah,	Karachi (Tando Allahyar/Matari)	GlobalGAP (Banana)
24	Sadruddin & Company	Saleem Sadruddin	Karachi (Bhalwal)	GlobalGAP (Citrus)
25	Imam Fruit Farm	Syed Fakhar Imam,	Multan, Kabirwala	GlobalGAP (Citrus)
26	Lutfabad Farms	Tariq Khan	Multan	GlobalGAP (Citrus)
27	Nawab Sarbuland Farms	Waseem Khan	Multan	GlobalGAP (Citrus)
28	Qaim Gardezi Farm	Wajahat Hussain	Multan, Kabirwala	GlobalGAP (Citrus)
29	Muzaffarnagar Fruit Farm	Muzaffar H. Khakwani,	Multan	GlobalGAP (Citrus)
30	Zulfiqar & Co.	Zulfiqar Ali	Karachi	HACCP (Chilli, onion, HV)
31	NF International	Faisal Rehan	Karachi	HACCP (Chilli, Potato, HV)
32	A. Rehman & Sons	M. Rehan,	Karachi	HACCP (Chilli, Potato, HV)
33	M. F. International	Athar Khan	Karachi	HACCP (Chilli, Potato, HV)
34	Jan & K Enterprises	M. Javed, Jan & K Enterprises,		HACCP (Chilli, Potato, HV)
35	Bilal Traders	Afzal Ahmed	Karachi	HACCP (Citrus and Apple)
36	Buffield Private Ltd.	Bilal Ghazi	Karachi	HACCP (Dairy)
37	Organo Botanica	Emaduddin Ahmed	Gilgit	HACCP (Dry Apricot, Cherry, Pear, etc.)
38	Al Hameed Enterprises	Abdul Hameed	Karachi	HACCP (Onion, Potatos, HV)
39	SMA Enterprises	Syed Mehmood,	Karachi	HACCP (Onion, Potatos, HV)
40	Dairyland Private Ltd.	Sulaiman Monnoo,	Karachi	Halal (Dairy)
41	Pakia Garden Food Products	Kamran Khan	Peshawar	ISO-22000 (Fruit)
42	Hamza Halal Food	Fayaz Ahmad,	Peshawar	ISO-22000 (Meat)
43	F. A. International	Sameer Pakhali,	Karachi	ISO-22000 (Onion, Potatos, Citrus)
44	M. Z. Trading Corp.	Zahida Hameed	Karachi	ISO-22000 (Onion, Potatos, Citrus)
45	Virk International Pakistan	Rahat Abbas	Karachi	ISO-22000 (Onion, Potatos, HV)

ANNEXURE-3: EXPORT VALUE ACHIEVED

**Export of Fruits, Vegetables and Meat through participation in
USG Assisted International Marketing Events**

Amount in USD							
No.	Name of Event	Name of Company	Exports as of Sep. 2013	Exports FY 14 (Q1+Q2)	Exports Q3 FY 14	Exports FY 14 (June 14)	Total Exports as of June 14
1	AGRAME, Dubai	Seven Star Intl., Karachi	-	5,670		5,670	5,670
2	AGRAME, Dubai	MeatTech, Lahore	-	56,925		56,925	56,925
3	AGRAME, Dubai	Imtiaz Enterprises Karachi	-	1,700,000		1,700,000	1,700,000
4	AGRAME, Dubai	Haji Noor Ellahi & Sons, Peshawar	5,670	600,000		600,000	605,670
5	AGRAME, Dubai	New Shan Ent, Peshawar	56,925	10,711		10,711	67,636
6	AGRAME, Dubai	Ikram Nizam Cold Storage, Lahore	-	-	265,200	265,200	265,200
	Sub-Total		62,595	2,373,306		2,638,506	2,701,101
7	Euro Tier	Tazij Meats & Foods, Lahore	3,106,250	-		-	3,106,250
8	Fruit Logistica 2013	Asia Mega Foods, Karachi	418,775	1,075,000		1,075,000	1,493,775
9	Fruit Logistica 2014	FA Intl., Karachi	-	247,500		247,500	247,500
10	Fruit Logistica 2014	Sunny International	-	11,377		11,377	11,377
	Sub-Total		418,775	1,333,877		1,333,877	1,752,652
11	Gulf Food 2014	Seven Stars International	-	276,050		276,050	276,050
12	Gulf Food 2014	Abdullah Traders, Multan	-	-	7,000	7,000	7,000
13	World Food Moscow	Chase Intl., Karachi	4,252,500	3,393,325	-	3,393,325	7,645,825
14	World Food Moscow	FA Intl., Karachi	1,275,000	180,000	-	180,000	1,455,000
15	World Food Moscow	Shehzad Asia Intl. , Islamabad	1,200,000	-	-	-	1,200,000
	Sub-Total		6,727,500	3,573,325	-	3,573,325	10,300,825
	Total		10,315,120	7,556,558	272,200	7,828,758	18,143,878

ANNEXURE-4: VALUE CHAIN-WISE PARTICIPANTS TRAINED ON "INTEGRATED PEST MANAGEMENT AND PERSUAP" BY TAP

No	Region	Apricot orchard	Potato Cellars	Pomegranate orchards	Banana FEGs	Chili FEGs	Trainees from TAP	Trainees from IPs	Total trainees /Beneficiaries	Sessions
1	Sindh	-	-	-	62	94	2	2	154	5
2	Gilgit Baltistan	14	15	-	-	-	2	2	29	2
	Total	14	15	-	62	94	4	4	185	7

ANNEXURE-5: PROGRESS ACHIEVED AGAINST KEY RESULTS /EGA INDICATORS AS OF QUARTER-3 FY 2014

Sr. No	Indicator	Unit of Measure	Revised LOP Target	Achievements as of Sep 2013	FY-2014 Targets	FY-2014 Quarter-3 Achievements	FY-2014 Achievements (Q1, Q2 & Q3)	Cumulative Achievements as of June 14	Contributing activities During the reporting quarter
1	2a. Number of jobs attributed to program implementation (4.5-2)	FTE Jobs	13,135	5,604	3,596	780	1,120	6,724	780 new FTE jobs created as a result of execution of following activities. - 493 jobs created on a/c of HV/OSV - 249 jobs created on a/c of Grapes Orch - 33 jobs created on a/c of Apricot Orch & Small Solar Dryer at GB - 5 jobs created – Cellars establishment
2	2c. Project-related household incomes of USG targeted beneficiaries	Change in HHs Income	11,944,886	689,383	4,351,112	-	138,560	827,943	Data on households' income will be reported on annual basis.
3	2.1a. Value of incremental sales attributed to program implementation	USD	39,468,788	11,644,966	8,609,877	296,208	8,408,675	20,053,641	The incremental sales include value of export.
4	2.1b. Value of exports of targeted commodities as a result of USG assistance	USD	27,145,926	10,315,120	7,549,468	272,200	7,828,758	18,143,878	Two project supported enterprises achieved an export value of USD 272,200 during Q3
5	2.1c. No. of micro and small enterprises linked to larger-scale firms as a result of USG assistance	Enterprises	8,244	2,255	2,128	2,949	4,168	6,423	2,949 micro & small enterprises/farmers linked to larger scale firms / market for provision of construction materials, pipes, seed, plants as a result of USG assistance. The contributing activities are HV/OSV (2281), Apricot Orchards (610) & Grapes Orchards (58).

Sr. No	Indicator	Unit of Measure	Revised LOP Target	Achievements as of Sep 2013	FY-2014 Targets	FY-2014 Quarter-3 Achievements	FY-2014 Achievements (Q1, Q2 & Q3)	Cumulative Achievements as of June 14	Contributing activities During the reporting quarter
6	2.1.1b. No.of micro, small & medium enterprises i/c farmers, receiving BDS from USG assisted sources (4.5.2-37)	Enterprises / Farmers	13,333	7,339	2,078	2,949	4,410	11,749	2,949 MSMEs received BDS from USG assisted sources as per break-up given above.
7	2.1.1c. Value of new private sector investment leveraged with USG resources	USD	22,062,336	1,393,499	6,072,184	2,068,182	2,815,103	4,208,602	Contributing grant products are HV/OSV, Apricot & Grapes orchards, Small tunnel dryer, Seed potato cellars, etc. Also include Seed Potato of USD 177500 provided by 3 companies to Potato Farmers in GB, \$ 18679, \$12,680 & \$ 100,000 on account of new investment by project supported Grape, aero-tubes and improvised reefer Grantee, Swabi respectively. This does not include capital cost and/or lease/rental value of land on which orchards / farms are established.
8	2.1.2b. Number of persons receiving training on skill development	Persons	12,440	2,480	6,701	2,166	4,100	6,580	Trained 1249 farmers in EDT-HV/OSV 143 farmers in EDT-Banana. Trained 502 farmers on crop management red chilli, 20 farmers in Banana Bunchy top control & management, 57 supervisor & 10 Workers in meat processing and 185 farmers in Integrated pest Mangt. & PERSUAP
9	2.1.3b. Number of entities (e.g., farmers or private	Entities	19,813	7,339	6,623	2,949	4,636	11,975	2,949 entities applied new technologies or management practices during Quarter-

Sr. No	Indicator	Unit of Measure	Revised LOP Target	Achievements as of Sep 2013	FY-2014 Targets	FY-2014 Quarter-3 Achievements	FY-2014 Achievements (Q1, Q2 & Q3)	Cumulative Achievements as of June 14	Contributing activities During the reporting quarter
	enterprises) that have applied new technologies or management practices as a result of USG assistance (4.5.2-5 & 4.5.2-42)								3. These include beneficiaries of Apricot orchards, high tunnels, HV/OSV quality seed received and sown, livestock extension services, and meat processing trainings.
10	2.1.3c.No. of hectares under improved technologies or management practices as a result of USG assistance (4.5.2-2)	No. of Hectares	5,737	1,947	2,402	522	637	2,584	522 hectares of land brought under cultivation for establishment of HV/OSV production and vineyards.
11	2.2.2a. Number of USG-assisted organizations that participate in legislative proceedings and/or engage in advocacy at all levels	Organizations	7	6	-	-	1	7	Second meeting of Banana VCP and third meeting of Red Chili VCP was held.
12	2.2.3a. Number of rural households benefiting directly from USG interventions (4.5.2-13)	Households	28,209	8,938	12,352	3,289	8,661	17,599	Contributing grant products/activities are HV/OSV, Apricot small dryers and Potato cellars
13	2.2.3b. Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources	%age	20%	42%	10%	52%	31%	37%	Female beneficiaries of grant products